

# South Carolina: Developing a Performance Management System

*Performance management is the strategic use of performance standards, measures, progress reports, and ongoing quality improvement efforts to ensure an agency achieves desired results. In 2004 South Carolina's state public health office began a performance management initiative that uses the Turning Point's Performance Management National Excellence Collaborative (PMCs) framework for improving results of a health agency. This case study provides the story of how South Carolina began its effort by using the PMC model, the challenges and benefits of creating a performance management system, and lessons learned as they begin their initiative.*

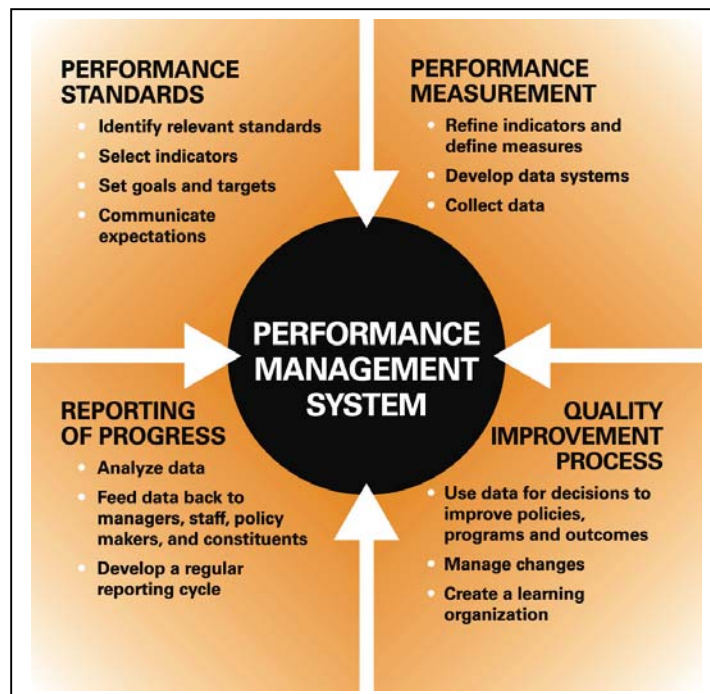
## South Carolina: Using Performance Management to Create a More Cohesive System

Budget cuts, growing frustrations about the lack of coordination between various programs, office, and personnel, and an impending sense of having to 'work smarter not harder' has pushed South Carolina's public health department to take stock of its activities and formalize a performance management initiative.

The effort, says Joe Kyle, director of DHEC's\* Office of Performance Improvement "is about getting the left hand and the right hand—of the many departments, programs, functions, and workers involved in the public health agency—to work more cohesively and effectively." A performance management system can clearly show front line staff, managers, politicians, and funders, how the actions of the public health department can affect health outcomes.

...continued on page 2

### Turning Point Performance Management National Excellence Collaborative's Framework for a Performance Management System



*For each domain area, South Carolina's Health Services will work with its local health agencies to develop **Standards, Measures, Reporting, and a Quality Improvement Process.***

*For more information on the Performance Management Collaborative's framework, go to*

[http://www.phf.org/pmc\\_silos\\_systems.pdf](http://www.phf.org/pmc_silos_systems.pdf)

\*The South Carolina Department of Health and Environmental Control (DHEC) is the public health agency for the state. South Carolina's public health system is centralized, with all county and regional staff reporting to and working for the DHEC. The Office of Performance Improvement is part of the Department's Health Services division.

Although the department routinely collects data— such as the number of new HIV/AIDS cases—performance-related data has not routinely been collected. This type of data would assist Health Services assess the impact of its county health departments.

For example, the state vital records system can give Kyle information on the overall characteristics of birth outcomes in the state, such as birth spacing, low birth weight percents, and early entry into prenatal care. What he doesn't know and DHEC doesn't collect, is birth outcomes for those women that are seen in the county family planning clinics. This data would help Health Services assess the impact of each of its forty-six county health departments. If a health clinic is performing below a certain standard, then the county and state can work together to determine what improvements need to be made.

### Building a System

Data collection on teen pregnancy rates is an important thing to measure, but it won't tell Kyle about the quality of customer service at county health departments, or how well its financial systems and processes work, or whether or not its employees have the necessary competencies to do the job. All of these factors will be accounted for in South Carolina's plan.

Before deciding to use the Performance Management Collaborative (PMC) model, South Carolina Health Services looked at various models that provide an overview of organizational performance—including the 10 Essential Public Health Services, Healthy People 2010, the National Public Health Performance Standards Program, and private sector models like the Baldrige framework.

“We really liked the PMC model because it addressed our concerns as a public health agency and just made a lot of sense to us intuitively. It also made sense to our front line staff, which is key to creating buy-in to performance management activities,” says Kyle. The PMC model has four components—standards, measures, reporting of progress, and quality improvement. The PMC *Silos to Systems* guide\* also suggested seven domain areas (*adapted from the Baldrige criteria; see graphic this page*) in which

to apply the four components of the model.

South Carolina began by drafting definitions for the seven domain areas outlined in the PMC *From Silos to Systems* guide. These seven areas will serve as the basis for how the performance management system will be organized. After input from local health officers is received, the definitions will be revised and Kyle, the state team, and local public health agencies will begin

....continued on page 3

*South Carolina is using the PMC model's adaptation of the Baldrige Performance Excellence Criteria as a starting point for implementing a performance management system for its local health agencies.*

### **Seven Key Domain Areas of South Carolina's Performance Management System**

1. Human Resource Development
2. Data and Information Systems
3. Customer Focus and Satisfaction
4. Financial Systems
5. Management Practices
6. Public Health Capacity
7. Health Status

For each domain area, South Carolina's Health Services will work with its local health agencies to develop:

- Standards
- Measures
- Reporting
- Quality Improvement Process

**To learn more about the four areas of the PMC model—standards, measures, quality improvement, and reporting—see the PMC's other case studies, posted online under the “What's New” page of the Public Health Infrastructure Resource Center at <http://www.phf.org/infrastructure>.**

\*From *Silos to Systems: Using Performance Management to Improve the Public's Health*, Performance Management National Excellence Collaborative, 2002; [http://www.phf.org/infrastructure/resources/FandRPM/Silos\\_to\\_Systems\\_FINAL.pdf](http://www.phf.org/infrastructure/resources/FandRPM/Silos_to_Systems_FINAL.pdf)

developing standards and measures for each domain area.

For example, under the *Data and Information Systems* Domain, DHEC has defined this area as:

- ❑ *The ability of the agency and Health Services data and information systems to provide high-quality, timely, relevant, useful information, delivered when it is needed through the use of up-to-date information technology systems capable of meeting Health Services and other customer's needs for measuring and managing performance. Evaluates how well Health Services utilizes the data and information to improve program and operational performance.*

“If you ask me right now how each of those seven domain areas relate and interact with one another, I couldn’t be very specific,” notes Kyle. But that’s the whole point of carrying out the initiative, it forces people to focus on where they want to be, not where they are. Health Services is envisioning a complete system, where connections between the silos can easily be seen and used to the advantage of all employees. Once measurements for each domain are established, data will be collected and analyzed, improvements can be implemented and a picture of how the different domains interact with each other can begin to be understood.

Right now, says Kyle, the easiest way to tackle the system is by looking at the domains one at a time. By July 2005, Health Services hopes to have developed capacity, process, and outcome indicators for each domain area. The Office of Performance Improvement and other state leaders will meet with district Health Directors and their staff to develop the indicators. Trainings to familiarize staff with the general concepts of performance management will also serve to keep up the initiative’s momentum.

Once indicators are in place, Health Services plans to schedule time to meet with local agencies to assess their progress and to discuss what they will do to make improvements.

Several county health departments are currently using the CDC National Public Health Performance Standards Program local systems assessment instrument as a starting point, from which Health Services can begin to monitor progress for the public health capacity domain. Reporting data for all seven domains of the PMC model will help South Carolina to determine areas of strengths and weaknesses so it can begin to make the necessary improvements.

#### GETTING STARTED WITH PERFORMANCE MANAGEMENT

If you expect to face a lot of management skeptics, Laura Landrum, performance management expert suggests several ways to plan for success in managing performance.

- ❑ **Just do it.** Call a meeting with key people to focus on improving performance in one area, such as the lag time for disease reporting, the time it takes to approve purchase orders, or children starting school with required vaccinations. Say that you want to solve a stubborn problem and are eager to try new approaches, but don't refer to your challenge as part of a big, new management initiative.
- ❑ **Go light on presenting new models and frameworks.** Use the four parts of the perf. mgt. model behind the scenes to plan your approach, but don't start off by making people learn new models and theory – which turns many people off and confuses others. Instead, let interest in learning and frameworks "bubble up." Success in solving an important problem will breed enthusiasm for describing the approach, reflecting on what worked, and learning to replicate it. That's the time to introduce a model as a tool.
- ❑ **Give people back their data.** Make your first priority putting data into the hands of managers, employees, and partners in formats they can use. Assume people want to do better and would use data if given to them in timely and easy-to-use ways. Hold focus groups or have one-on-one meetings to ask how they want the performance data. By addressing long-held beliefs such as, "We report this information, and nothing ever happens," you can demonstrate action and provide an immediate benefit.
- ❑ **Ensure leadership support and follow through.** If you decide to begin a system wide initiative, make sure top leadership and top management teams support it and see how it will benefit their jobs. The top leader must offer clear expectations, hold managers accountable for their roles in managing performance, reward action based on performance data, and publicly champion a simple message focused on results.

### Skepticism, a Bug in the System

Performance management isn't a totally new concept. Its components—standards, measures, reporting, and quality improvement—have been around for years as a way agencies can measure impact, assess the areas they are doing well in and those that need more attention, and create better information for better decisions. But many veteran employees roll their eyes when they hear about a new management initiative.

"This kind of reaction is common in organizations where past management initiatives have had more fanfare than follow through," says Laura Landrum, performance management expert and special projects director for the Illinois Public Health Futures Institute.

"In order for this initiative to be successful, we must make sure that the data we collect is reported back to locals and that we are sharing best practices, as well as areas for improvement," says Kyle.

Leadership and support are also key factors to the successful implementation and staying power of a performance management program, and South Carolina is in a good position. The Health Services department is backed by an existing state-wide initiative administered by the State Budget and Control Board, which requires each state agency to submit yearly Accountability Reports on an agency's progress in defined priority areas. Health Services will follow suit and make reporting a requirement of its performance management initiative.

By considering all four components of performance management concurrently, Kyle is confident they will be able to create alignment among the standards, measures, reporting, and quality improvement quadrants to achieve a stronger public health system for South Carolina.

*To learn more about South Carolina's efforts, contact Joe Kyle at (803) 898-0777.*

### Discussion Questions

1. The PMC model for performance management focuses on four distinct areas—setting standards, measuring those standards, reporting progress, and developing a quality improvement process. How is South Carolina developing each of these areas?
2. South Carolina has identified the current gaps in data—like knowing how county health departments are performing and the impact of those agencies. What steps are they taking to begin to track agency performance?
3. South Carolina needs to get the 'left hand and the right hand—of the many agencies, departments, programs, etc.—to work more cohesively. Could a performance management system address this? If so, how?
4. South Carolina is using seven focus areas or domains to organize its performance management system. What are the benefits and limitations of using these seven domains to organize system-wide performance management efforts? What other domains might be good starting points?
5. A key to being successful in any initiative is having strong leadership and support from the top. How would you obtain and demonstrate this, if you were in charge of developing a performance management initiative?
6. What ideas do you take away from this story about using a performance management system as a way to improve a health department?
7. Do you think that the health department's performance measures should be limited to the health status of patients it directly serves—such as birth outcomes of women seen in family planning clinics? Are birth outcomes in the entire jurisdiction a measure of the health department's performance, too? If so, why? If not, whose performance is reflected by such measures?